VZCZCXRO3156 OO RUEHCHI RUEHDT RUEHFK RUEHHM RUEHKSO RUEHNH RUEHPB DE RUEHKO #3360/01 3452242 ZNY CCCCC ZZH O 102242Z DEC 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC IMMEDIATE 9331 INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE PRIORITY RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION PRIORITY RUEHBK/AMEMBASSY BANGKOK PRIORITY 4551 RUEHBJ/AMEMBASSY BEIJING PRIORITY 6757 RUEHBY/AMEMBASSY CANBERRA PRIORITY 2917 RUEHDT/AMEMBASSY DILI PRIORITY 0015 RUEHHI/AMEMBASSY HANOI PRIORITY 1105 RUEHJA/AMEMBASSY JAKARTA PRIORITY 4399 RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 1914 RUEHML/AMEMBASSY MANILA PRIORITY 1300 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 8638 RUEHPF/AMEMBASSY PHNOM PENH PRIORITY 0718 RUEHPB/AMEMBASSY PORT MORESBY PRIORITY 0142 RUEHGO/AMEMBASSY RANGOON PRIORITY 2358 RUEHGP/AMEMBASSY SINGAPORE PRIORITY 7280 RUEHVN/AMEMBASSY VIENTIANE PRIORITY 1698 RUEHCHI/AMCONSUL CHIANG MAI PRIORITY 0197 RUEHFK/AMCONSUL FUKUOKA PRIORITY 1348 RUEHHM/AMCONSUL HO CHI MINH PRIORITY 0125 RUEHHK/AMCONSUL HONG KONG PRIORITY 6647 RUEHNH/AMCONSUL NAHA PRIORITY 3706 RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 5139 RUEHKSO/AMCONSUL SAPPORO PRIORITY 1916

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SUBJECT: JAPANESE VIEWS: ASEAN, BURMA, THAILAND, CAMBODIA,

THE PHILIPPINES

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Classified By: Ambassador J. Thomas Schieffer; reasons 1.4 (b/d)

11. (C) Summary: In meetings with DAS Scot Marciel, senior MOFA officials reaffirmed that ASEAN remains an important focus for Japan in terms of development assistance, business expansion, and political engagement. In regards to other issues Japan believes that: despite recent events engagement with the regime in Burma still might be useful; deep rooted societal and cultural issues will cause Thailand's problems to persist for some time; direct talks between the UN and Cambodia are needed to prevent a breakdown of the Tribunal process; and the U.S. and Japan should both work to maintain a geostrategic balance in mainland Southeast Asia. End Summary.

ASEAN: Engage Regionally to Strengthen Bilateral Ties

- 12. (C) At a dinner meeting December 1 (the same day that a new EPA (Economic Policy Agreement) between Japan and ASEAN went into effect), Yoshinori Katori, Japan,s ASEAN Ambassador told DAS Scot Marciel that Japan supports the long-term ASEAN goal of an economic Common Market as a way of strengthening stability in the region. While this process is moving at a slow pace, in hindsight much had been achieved since 1967. The Ambassador felt it is remarkable that such a diverse group of nations is on the path to forging a sense of common identity.
- 13. (C) One of the major goals of Japanese policy is to try and strengthen cooperation and linkages between projects at the regional and sub-regional level within ASEAN, Katori continued. He said his country supports ASEAN attempts to fill the gap between its less developed and more developed members. Japanese companies, he added, are very interested

- in investing in the ASEAN region; as a result, it is a major target for Japanese ODA, with Indonesia and the Philippines being the largest recipients.
- ¶4. (C) Ambassador Katori and DAS Marciel agreed that it is important not to put ASEAN countries into a position of having to choose sides among the various powers involved in the region. It is more important to emphasize areas where cooperation is possible. Katori underlined the need to show interest in ASEAN-related events, such as the ASEAN Regional Forum (ARF), as a means of staying engaged and strengthening bilateral ties.

Burma: 2010 Elections Present an Opportunity

15. (C) At separate meetings on December 2 with MOFA Southeast and Southwest Asia Bureau Director General Hiroshi Inomata, Deputy Director General Kazuhide Ishikawa, and SE Asia Division Director Keiichi Ono, Inomata asserted that the current international approach to Burma, including U.S. and EU sanctions, will &never work8 as long as India and China continue to trade with the regime and refuse to utter &tough words.8 Japan, &knowing what the regime in Burma has done to better the situation,8 tried to amend the Burma Resolution at the Third Committee in UNGA to make it more neutral. The regime subsequently instituted long sentences for activists, &and I gave up,8 Inomata said. He added that he is more optimistic about the 2010 elections and hopes to convince the opposition National League for Democracy (NLD) about the need to participate. "One election won' solve everything, 8 he conceded, &but the situation will improve if people can be convinced to accept the results, even grudgingly.8 At this point, he admitted, the regime is

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clearly not interested in working with either the UN or the NLD, &but we need to keep trying.&

- 16. (C) SE Asia Division Director Keiichi Ono added that, "2010 elections are crucial for Japan-Burma relations. As long as there is a chance of success, we should target those elections." Inomata also emphasized the need to continue to build trust with Burma by keeping an open dialogue with "reasonable leaders, such as Deputy Foreign Minister Chat Too." He noted the limitations of any processes that fail to include Burma in the discussions, such as the Friends Group and Trilateral Core Group. Ono agreed with the need to "send a strong message to China" if the United States really wants Burma to participate. Inomata reminded DAS Marciel of Japan's "shock" over bilateral U.S.-Burma discussions in Beijing in 2007 and hoped that Japan would be consulted if the incoming U.S. administration decides to favor increased dialogue.
- 17. (C) Marciel questioned Japan,s support for the 2010 elections, saying all evidence and experience suggested the elections would be a farce. He acknowledged that outside pressure alone would probably not bring about change, but argued that it was important that Japan and other countries speak out when the regime flouted human rights, such as by meting out long prison sentences to peaceful demonstrators. Marciel and Inomata agreed that it would be useful to encourage some sort of regional diplomatic forum to discuss how best to promote &new thinking8 on Burma.

Thailand: Stability Important to Japan

17. (C) DG Inomata and DDG Ishikawa noted the negative impact on Thailand's image and economy of the standoff between the People's Alliance for Democracy (PAD) and the government. Tourism constitutes approximately seven percent of the Thai economy, Ishikawa stated, and is projected to fall by as much as 50 percent due to the current instability. He estimated that over 10,000 Japanese tourists were stranded in Thailand when the PAD shut down the airports. Closure of the airports also jeopardized the shipment of goods, a particular concern

for the many Japanese companies that source parts from Thailand, and for neighboring countries that rely on Bangkok as a hub for shipping, communications, and trade.

18. (C) Attributing the crisis to deep-rooted societal and structural issues, Inomata predicted that the problems would continue for some time, whether or not Parliament was dissolved. Careful to preface his views as personal, Ishikawa stated his belief that former Prime Minister Thaksin had tried to do "too much." Worse still, his "not very Thai-like" way of doing things had exacerbated existing tensions over regional economic and income disparities. The situation is complicated by the fact that the government was democratically elected and that at least some of the actions of the People's Alliance for Democracy (PAD) demonstrators appear to be less than democratic, Ishikawa said. Ascertaining the exact nature of the forces behind the PAD and determining the role of the business community and the Royal Family is also problematic, he added. Both Inomata and Ishikawa appreciated efforts by the military to remain neutral, but expressed concern that a near-term solution could be difficult to find since the PAD seems unwilling to compromise. Ishikawa also pondered the future shape of the

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government if the Constitutional Court ruled against the People's Power Party (PPP), conjecturing that the remnants of the ruling party might need to form a coalition to maintain a majority over the Democratic Party.

KRT: UN Pressure Forcing Cambodia to Lose Face

- 19. (C) Regarding allegations of corruption in the War Crimes Tribunal, Inomata and Ishikawa encouraged the United States to consider the Cambodian argument that the UN has yet to provide enough evidence, while Ono criticized the propensity of the UN "to just keep pushing, without showing any willingness to compromise." "Pressure alone will not work," Ono added, and threats by the UN to withdraw are "absurd." Moreover, Ishikawa stressed, Japan has contributed a great deal financially to the Extraordinary Chambers in the Courts of Cambodia (ECCC) and should have a say. Cambodia seems determined to let the UN withdraw completely and turn the Tribunal into a domestic court, hoping to control prosecutions and keep them from delving too deep into complicity for Cambodia's troubled past. Japan is supporting more direct talks to remedy the complete breakdown in communication between Cambodia and the UN, but there is no easy fix. Of equal importance, Ishikawa stated, is to narrow the gap between the dialogue taking place among the Ambassadors at the UN and the parallel dialogue taking place among Ambassadors in Phnom Penh. Japan has also floated the idea of a new third-party or joint investigation that both sides could accept, Ono noted. A secondary concern is to come up with a new mechanism for dealing with corruption problems that is not slanted toward either side. One solution, Ishikawa offered, could be to look for some &Asian way8 to solve the problem, by easing Executive Secretary Sean Visoth into another position and replacing the UN representative at the same time. &Brinkmanship diplomacy does not work in Southeast Asia, 8 he averred.
- 110. (C) Furthermore, Inomata noted that Hun Sen has evolved a bit since the last election to the point where he is allowing a reasonable amount of space for the opposition. Civil society and the economy are both showing potential. Ono attributed this change to the fact that Hun Sen had widened his base in the election and pushed the royalists further toward the margins. Recounting a meeting with Hun Sen in the early 1990s in Thailand, Inomata said he remembered him as quite confident, and viewed him today as a more capable politician than his rivals.
- $\P 11.$ (C) Marciel agreed that Cambodia has moved in a positive direction in recent years, and that Hun Sen,s behavior has

evolved. He highlighted recent improvements in U.S.-Cambodian relations, and emphasized Washington's commitment to continue to expand those relations. He agreed to consult with Embassy Phnom Penh and with relevant players in Washington on how best to encourage progress in the KRT, arguing that creative diplomacy should enable the international community to support the Tribunal while also pressing the Cambodians to address the corruption allegations. Marciel and Inomata agreed to consult closely on the way ahead.

The Philippines

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111. (C) Amidst concerns about the instability in the Philippines and renewed fighting in the wake of the breakdown of a peace deal in Mindanao, Inomata said that Japan is interested in working with the United States to salvage the talks. He said his government had in August encouraged the Malaysians to keep their troops for an additional three months. He noted that the Malaysians have assured Japan that they are willing to come back once the Philippines is ready to get serious.

The Mekong Region

- 112. (C) Ishikawa noted that Japan is very interested in addressing development and income disparities in the Mekong region as a way of deepening ties with the individual nations. Japan has designated 2009 as the Year of Japan-Mekong relations. However, Japan has to be careful not to appear to be in favoring one region over another. The government in Laos is opening steadily to Japan and contacts are increasing. Like Cambodia, the Laotians are seeking Japanese assistance with education. Ono cautioned that the United States needs to engage more with Laos to counter the influence of China.
- 13. (C) Ishikawa warned that China was exerting an increasing gravitational pull on the countries of mainland Southeast Asia, with the exception of Vietnam. He urged the U.S. to ramp up engagement with Laos and Cambodia, in particular, and to be mindful of the geostrategic importance of Burma. Marciel responded that, while the U.S. did not see the region as a battleground between the West and China, it was in our interest to ensure that no country had undue influence over the Southeast Asian nations.
- 14 (C) On a closing note, Ishikawa noted Japan,s interest in preparing some sort of contribution for the East Asia Summit (EAS), despite indications that the December meeting would be postponed. (NOTE: The December EAS and ASEAN plus 3 Summits were postponed the next day. END NOTE). Details are still being hammered out, but he promised to keep the U.S. informed when a decision has been reached.
- 114. (U) DAS Marciel has cleared this cable. SCHIEFFER